

17 July 2019

Dear Shareholder

New Zealand Social Infrastructure Fund Annual Report to Shareholders

We are pleased to advise the New Zealand Social Infrastructure Fund Limited's (NZSIF) annual report for the financial year ended 31 March 2019 is now available on the Company's website at www.nzsif.co.nz/Investor-Information/Shareholder-Reports/.

Progress Summary

- *Auckland Prison PPP*
The Auckland Prison PPP is fully operational and the transition to full operations is complete. Refurbishment of the West Facility commenced in September 2018 with one of the five units completed in February 2019.
- *Hobsonville Schools*
The project continues to operate well with all planned and reactive maintenance tasks being completed within the required timeframes.
- *New Zealand Schools 2*
All four schools, Ormiston Junior College, Haeta Community Campus, Rolleston Secondary School and Wakatipu High School are operational and performing well. The Investment Manager is currently working on a potential follow-on investment, an expansion of Wakatipu High School, in Queenstown.
- *Melbourne Convention & Exhibition Centre*
The exhibition centre, an expansion project of the MCEC, opened 9 July 2018. The MCEC investment continues to perform well.
- *Bendigo Key Worker Accommodation*
The Bendigo Key Worker project is performing well. The debt refinancing is underway.
- *University of Wollongong Student Accommodation*
Wollongong commenced generating cash flow to the PIP Fund in 2019. Early refinancing is underway.
- *Portfolio Revaluation*
Following re-valuations of the PIP Fund investment portfolio, NZSIF's valuation of its share in the PIP Fund saw a \$4.3 million uplift.
- *Distributions*
NZSIF was able to recommence distributions to NZSIF shareholders during the 2019 financial period. NZSIF received distributions from the PIP Fund of \$2.46 million and distributed \$1.97 million, or 4.8 cents per share (cps). Subsequent to the end of the financial period the NZSIF Board announced a further distribution of 2.0 cps, paid 12 July 2019. NZSIF has distributed a total of 22.8 cps to date.
- *Net Asset Value*
The PIP portfolio revaluation saw NZSIF's net asset value increase to \$1.39 per share at 31 March 2019 (2018: \$1.28). The NAV adjusted for the July distribution is estimated at \$1.37 per share.

Annual Report

The annual report is available electronically. If you wish to receive a print copy of the annual report free of charge, please email your request, including your shareholder details, to enquiries@nzsif.co.nz. If you wish to mail your request please tick the box below and return this form to NZSIF's postal address. Email or postal requests should be sent within 15 working days of receiving this letter.

If you have previously requested a print copy one will be automatically posted to you.

I would like to receive a print copy of NZSIF shareholder report(s).

Annual Shareholder Meeting

Date: Friday, 30 August 2019

Time: 11.30 am

Place: Craigs Investment Partners Limited
Level 32, Vero Centre
48 Shortland Street
Auckland

RSVP: Contact Peter Lalor on 07 927 7927 or email enquiries@nzsif.co.nz by 21 August 2019.

We extend an invitation to attend this meeting and look forward to seeing you there.

If you have any queries regarding your investment in NZSIF, please discuss with your Investment Adviser or you may call Peter Lalor at NZSIF Management on 07 927 7927.

Yours sincerely

NEW ZEALAND SOCIAL INFRASTRUCTURE FUND LIMITED



Kim Ellis
Chairman